

# CITY AUDITOR'S REPORT

## MONDAY, MARCH 26, 2012

### 2012 ADMISSION FEE/TAX

WE RECEIVED CHECKS IN THE AMOUNT OF \$4,754.49 FROM THE READING PHILLIES FOR FEBRUARY'S ADMISSION FEES/TAXES. THE SOVEREIGN CENTER & PERFORMING ARTS CENTER EVENT FEES TOTALLED \$37,283.16 FOR FEBRUARY SALES. EVENTS INCLUDED IN THESE RECEIPTS ARE FROM PERFORMANCES BY DISNEY ON ICE, BLAKE SHELTON, GET THE LED OUT, "THE COLOR PURPLE" AND THE READING SYMPHONY ORCHESTRA, JUST TO NAME A FEW. ALSO THIS MONTH, WE RECEIVED \$5,567.24 FROM READING ROYALS HOCKEY FOR FEBRUARY'S SALES.

THE 2012 BUDGET LIST \$504,000 AS EXPECTED REVENUE.

THE FOLLOWING CHARTS LIST ANNUALLY (2008-2012) THE ADMISSION FEES BY SPORT/VENUE:

| ADMISSION FEE/TAX                             | 2008                | 2009                 | 2010                | 2011                | FEB. 2012          |
|---|---------------------|----------------------|---------------------|---------------------|--------------------|
| READING PHILS -1 <sup>ST</sup> ENERGY STADIUM | \$85,828.62         | \$94,788.30          | \$98,219.57         | \$104,498.69        | \$8,923.98         |
| READING ROYALS - SOVEREIGN CENTER             | \$100,129.25        | \$55,054.89          | \$61,494.30         | \$60,719.57         | \$10,110.39        |
| OTHER-SOVEREIGN CENTER                        | \$236,337.38        | \$232,589.23         | \$252,268.74        | \$117,376.12        | \$31,574.25        |
| PERFORMING ARTS CENTER                        | \$132,528.70        | \$99,602.64          | \$100,701.62        | \$140,860.56        | \$19,556.69        |
| <b>TOTAL REVENUE</b>                          | <b>\$554,823.95</b> | <b>\$482,035.06</b>  | <b>\$512,684.23</b> | <b>\$423,454.94</b> | <b>\$70,165.31</b> |
| BUDGETED REVENUE                              | \$550,000.00        | \$600,000.00         | \$450,000.00        | \$480,000.00        | \$504,000.00       |
| <b>OVER/UNDER BUDGET</b>                      | <b>\$4,823.95</b>   | <b>-\$117,964.94</b> | <b>\$62,684.23</b>  | <b>-\$56,545.06</b> |                    |

## **PAYMENTS IN LIEU OF TAXES 2007-2011**

THIS REPORT UPDATES PAYMENTS IN LIEU OF TAXES RECEIVED FROM VARIOUS INSTITUTIONS FROM 2007 THROUGH 2011, SINCE MY LAST REPORT ON THIS TOPIC ON 03/14/11.

THE 2011 REVENUE FROM PAYMENTS/DONATIONS IN LIEU OF TAXES WAS \$133,930 OR \$33,930 MORE THAN THE BUDGETED TARGET OF \$100,000. THIS AMOUNT INCLUDES THE \$211,891 THAT WE RECEIVED FROM THE READING HOUSING AUTHORITY. THAT AMOUNT MUST BE SHARED WITH BOTH THE COUNTY OF BERKS (\$38,948) AND THE READING SCHOOL DISTRICT (\$92,441) BASED ON THEIR RESPECTIVE MILLAGE RATES. THE 2012 BUDGET FOR PAYMENTS IN LIEU OF TAXES IS \$150,000.

| <b>INSTITUTION</b>           | 2011          | 2010          | 2009          | 2008          | 2007          |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| 1 <sup>ST</sup> PRES CHURCH  | 1,178         | 1,178         | 0             | 1,175         | 1,100         |
| B'NAI B'RITH                 | 20,000        | 10,000        | 10,000        | 0             | 10,000        |
| ALBRIGHT COLL                | 0             | 0             | 0             | 0             | 0             |
| CHARLES EVANS CEMETARY       | 7,500         | 7,500         | 7,500         | 7,500         | 7,500         |
| ALVERNIA UNIVERSITY          | 20,000        | 20,000        | 20,000        | 40,000        | 0             |
| READING HOSPITAL             | 0             | 0             | 0             | 0             | 30,000        |
| YMCA                         | 0             | 0             | 0             | 0             | 0             |
| <b>RDG HOUSING AUTHORITY</b> | <b>80,502</b> | <b>69,161</b> | <b>54,899</b> | <b>38,051</b> | <b>52,197</b> |
| HUGH CARCELLA APTS           | 3,750         | 3,750         | 3,750         | 3,750         | 3,750         |
| ST. JOHN'S LUTHERAN CHURCH   | 1,000         | 1,000         | 0             | 1,000         | 1,000         |
| Entire Year                  | 133,930       | 112,589       | 96,149        | 91,476        | 105,547       |
| Budget                       | 100,000       | 90,000        | 90,000        | 100,000       | 100,000       |
| Over/ (Under) Budget         | 33,930        | 22,589        | 6,149         | <8,524>       | 5,547         |

- **BOLD #** INDICATES THE AMOUNT THE CITY RETAINS.
- PAYMENTS BY **RHA** ARE SHARED W/SCHOOL DISTRICT & BERKS COUNTY.
- **RE04 IN THE ACT 47 PLAN INCLUDES AN EXPANDED PILOT PROGRAM**

## **REAL ESTATE TRANSFER TAX – 1/1/2008 TO 02/29/2012**

THIS IS AN UPDATE ON THE REAL ESTATE TRANSFER TAX RECEIPTS SINCE I LAST REPORTED IN MY FEBRUARY 27, 2012 REPORT. THIS TAX WAS 1% ('02), 1.5% ('03), 2% ('04-'05), AND 3.5% FOR ('06-'12).

THE FOLLOWING CHART ILLUSTRATES ACTUAL DATA FROM 01/2008 - 02/2012. IN FEBRUARY 2012 THERE WERE 103 REAL ESTATE TRANSFER TRANSACTIONS, OF WHICH 67 WERE TAXABLE TRANSACTIONS. THE CITY'S PROCEEDS IN FEBRUARY TOTALLED \$260,520.16. THE CURRENT 2012 BUDGET LISTS \$2,000,000 AS EXPECTED REVENUE.

|                    | <b>2012</b>       | <b>2011</b>         | <b>2010</b>         | <b>2009</b>         | <b>2008</b>         |
|--------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| January            | 88,765.23         | 90,044.35           | 159,017.30          | 148,961.51          | 652,118.37          |
| February           | 260,520.16        | 135,391.03          | 106,687.67          | 142,169.66          | 228,471.03          |
| March              | ?????????         | 214,724.17          | 229,645.70          | 185,351.64          | 249,460.68          |
| April              | ?????????         | 156,823.78          | 393,268.60          | 258,946.66          | 546,640.28          |
| May                | ?????????         | 174,829.49          | 384,978.30          | 242,328.73          | 392,206.10          |
| June               | ?????????         | 221,457.20          | 349,449.25          | 204,198.52          | 352,496.09          |
| July               | ?????????         | 121,372.42          | 222,286.60          | 182,852.57          | 267,767.04          |
| August             | ?????????         | 179,026.81          | 185,037.44          | 189,488.42          | 371,358.83          |
| September          | ?????????         | 187,496.67          | 128,921.23          | 301,455.52          | 279,643.32          |
| October            | ?????????         | 255,432.51          | 204,050.03          | 273,838.88          | 236,179.13          |
| November           | ?????????         | 287,145.90          | 240,401.03          | 214,016.65          | 268,455.35          |
| December           | ?????????         | 208,991.89          | 209,455.28          | 232,908.94          | 158,499.81          |
| <b>JAN-FEB</b>     | <b>349,285.39</b> | <b>225,435.38</b>   | <b>265,704.97</b>   | <b>291,131.17</b>   | <b>880,589.40</b>   |
| <b>Entire Year</b> | ?????????         | <b>2,232,736.22</b> | <b>2,813,198.43</b> | <b>2,576,517.70</b> | <b>4,003,296.03</b> |
| Budget             | 2,000,000.00      | 2,750,000.00        | 2,500,000.00        | 5,000,000.00        | 7,215,868.00        |
| Over Budget        | ?????????         | <517,263.78>        | 313,198.43          | <2,423,482.30>      | <3,212,571.97>      |

THE FOLLOWING CHARTS LISTS THE TOTAL NUMBER OF MONTHLY REAL ESTATE TRANSFER TRANSACTION MINUS NON-TAXABLE TRANSACTIONS TO ARRIVE AT TAXABLE TRANSACTIONS. FOR EXAMPLE, IN JANUARY 2012 THERE WERE 108 TRANSACTIONS MINUS 36 NON-TAXABLE TRANSACTIONS, WHICH LEAVES 72 TAXABLE TRANSACTIONS.

|   | <b>2012</b> | <b>2011</b>   | <b>2010</b>   | <b>2009</b>   | <b>2008</b>   |
|---|-------------|---------------|---------------|---------------|---------------|
| J | 108-36=72   | 101-44=57     | 145-54=91     | 123-55=68     | 213-67=146    |
| F | 103-36=67   | 126-49=77     | 103-37=66     | 137-44=93     | 190-51=139    |
| M |             | 144-43=101    | 212-67=145    | 167-47=120    | 174-47=127    |
| A |             | 121-31=90     | 193-59=134    | 163-54=109    | 282-62=220    |
| M |             | 168-52=116    | 208-73=135    | 169-40=129    | 225-46=179    |
| J |             | 175-39=136    | 185-51=134    | 171-60=111    | 213-56=157    |
| J |             | 127-48=79     | 149-44=105    | 161-62=99     | 201-48=153    |
| A |             | 153-39=114    | 161-55=106    | 141-48=93     | 195-53=142    |
| S |             | 141-40=101    | 114-31=83     | 137-39=98     | 183-50=133    |
| O |             | 181-52=129    | 201-72=129    | 219-67=152    | 184-64=120    |
| N |             | 149-31=118    | 120-33=87     | 175-65=110    | 156-55=101    |
| D |             | 172-61=111    | 153-45=108    | 163-44=119    | 134-39=95     |
| T |             | 1758-529=1229 | 1944-621=1323 | 1926-625=1301 | 2350-638=1712 |

## **REAL ESTATE TRANSFER TAX -\$1 MILLION + PROPERTIES 2012**

IN FEBRUARY 2012, A PROPERTY WAS SOLD IN READING IN EXCESS OF \$1,000,000. THE TOTAL NUMBER OF \$1 MILLION + PROPERTIES SOLD IN 2011 WAS FIVE (5). ALL OF THOSE WERE COMMERCIAL PROPERTIES AS OPPOSED TO RESIDENTIAL PROPERTIES. IN 2011, THE FIVE (5) PROPERTIES TOTAL SALES PRICE WAS \$7,125,000, THUS RETURNING \$249,375 IN REAL ESTATE TRANSFER TAXES.

| <b>DATE</b> | <b>PROPERTY ADDRESS</b> | <b>SALE PRICE</b> | <b>RATE<br/>3.5%</b> | <b>TAX AMOUNT</b> |
|-------------|-------------------------|-------------------|----------------------|-------------------|
| 02/29/12    | W. Perry Street         | \$4,000,000       | 3.5%                 | \$140,000         |

- IN 2011, THERE WERE FIVE (5) PROPERTIES SOLD IN EXCESS OF \$1 MILLION
- IN 2010, THERE WERE SIX (6) PROPERTIES SOLD IN EXCESS OF \$1 MILLION.
- IN 2009, THERE WERE ZERO (0) PROPERTIES SOLD IN EXCESS OF \$1 MILLION.
- IN 2008, THERE WERE FOUR (4) PROPERTIES SOLD IN EXCESS OF \$1 MILLION.
- IN 2007, THERE WERE TWELVE (12) PROPERTIES SOLD IN EXCESS OF \$1 MILLION.